



## COUNCILMEMBER DONNA FRYE

City of San Diego  
Sixth District

### MEMORANDUM

**DATE:** September 21, 2006

**TO:** Council President Scott Peters  
Councilmember Toni Atkins, Chair, Budget & Finance Committee

**FROM:** Councilmember Donna Frye *Donna Frye*

**SUBJECT:** Comprehensive Annual Financial Report

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On Tuesday, September 19, I learned via the media that the city had completed its final draft of the FY 2003 Comprehensive Annual Financial Report (CAFR) and had submitted the document to KPMG and the city's Disclosure Practices Working Group. Later in the day, I received an e-mail and memo from the Mayor regarding the briefing he provided to the press earlier in the day.

As you are aware, this issue has been and continues to be one of great importance to our city. Moreover, in the Kroll Report on page M-14, Recommendation #23 City Council 14-Day Disclosure Review Period, the last sentence states that: *"...because the City CAFR is an integral component of the financial information provided as part of any debt issuance, the City Council should review and approve its use..."* It recommends that the City Council should be provided adequate time to review the CAFR and that, *"The City Council should establish a reasonable period of time for the review of the final document, with marked changes from earlier drafts."*

Although I was unable to find this recommendation in the Mayor's August 24, 2006 Memorandum: Responses to the Remedial Recommendations Found in the Kroll Report, I believe that this recommendation must be adopted, and that we as a City Council must establish a procedure for review that includes not only the final version of the CAFR, but any drafts as well. We also need to establish a procedure for public hearings.

Because this issue includes both procedural and financial issues and likely municipal code changes, I am open to these discussions taking place in either the Rules or Budget Committee, or at a City Council meeting if time does not permit a committee hearing. However, I respectfully request that this issue be docketed as soon as possible to ensure that this City Council be provided with adequate time to establish procedures for review of the CAFR and scheduling of public hearings.

Thank you for your attention to this matter.

CC: Honorable Mayor Jerry Sanders  
Honorable City Councilmembers  
Honorable City Attorney, Michael Aguirre  
Independent Budget Analyst, Andrea Tevlin

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